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SUBJECT: CLIMATE -- SWEDISH PM'S CLIMATE ADVISOR EXPRESSES NEED FOR
NEW INITIATIVES IN THE CLIMATE DIALOGUE

- ¶1. (SBU) Summary: The comparability discussion continues to be important to the Europeans, and Reinfeldt's top climate advisor thinks that the mid-term target year needs to be moved beyond 2020. The Swedes see potential in the MEF and are curious about the prospect of a limited MEF leaders' meeting prior to COP-15. End summary.
- ¶2. (SBU) Embassy Stockholm ECON FSN talked with Lars-Erik Liljelund on August 13, in advance of Charge's meeting with Environment Minister Carlgren August 19. Liljelund is Prime Minister Reinfeldt's closest climate advisor, and has participated in all MEF meetings this year.
- ¶3. (U) Liljelund said he heard from Bonn that it wasn't going so well, and that G-77 countries were rather un-constructive.
- ¶4. (SBU) Regarding the state of the overall negotiations, Liljelund said it is not possible to get much more out of the system presently, due to developments with Japan, Canada, the recent set-back in Australia, etc. He cited a large gap in positions among developing countries, which he said suits the G-77 countries very well. He noted Stern/Pershing's proposal of an Alliance among Annex I countries, admitting that such a proposal could be hard for Sweden to deal with in its Presidency capacity.
- ¶5. (SBU) Liljelund said that from the G20 Sherpa meeting at the end of July, he had understood that several G-77 countries are skeptical about the side-processes to the UNFCCC track, including the MEF -- that it risks weakening their negotiation position. In the G-77 group, dissatisfaction had been expressed about the G8 declaration agreeing to the 2 degree target.
- ¶6. (SBU) Liljelund said the informal EU Energy and Environment Council meetings in Are in July gave Environment Minister Carlgren the mandate to discuss conditionality, i.e. what would be needed in order for the EU to scale up its emissions reduction target from 20 to 30 percent. By a rigid interpretation, he said, there is no ground for the EU to scale up to 30 percent, but some EU Member States fear that the EU will scale up to 30. Taking the science-based approach, a scaling up is necessary, Liljelund opined. He said we need to discuss another year for the mid-term target -- it cannot remain 2020. The base-year discussion is less of a problem according to Liljelund, as the G8 declaration states "1990 or the years thereafter".
- ¶7. (SBU) Liljelund further said that the comparable efforts discussion will be very important over the next few months. The way things are shaping up now, what is possible to get at COP-15 will not be the final agreement. Instead, we need to identify what needs to be solved by Copenhagen, which political issues must be solved. He said he sees great potential in the MEF process, in that it is largely the same people who are also involved in the Convention negotiations.
- ¶8. (SBU) Liljelund also discussed the extra informal European

Council dinner the Swedes will convene, likely on September 17 (same dates as MEF4), which has not yet been formally announced. The dinner will mainly be about G20 preparations, including climate financing discussions. He said that the U.S. plans to discuss financing at the G20 meeting in Pittsburgh has thrown the EU's discussions of financing out of sync because the EU had planned to deal with financing in the Environment Ministers Council, then ECOFIN, and then the regular European Council meetings the last days of October. Therefore, the need for the extra informal dinner to discuss financing.

19. (SBU) Liljelund said that the best chance for progress ahead, in his mind, is the limited MEF Leaders' meeting which Obama talked about at L'Aquila. If such a meeting takes place, it would most likely be in November. Liljelund feels that an opportunity to solve some political issues at such a meeting has great potential.

SILVERMAN